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IN THE

Supreme Court of the United States

October Term, 1977

No. 77-683

MILLER BREWING COMPANY,
Petitioner,

v.

G. HEILEMAN BREWING COMPANY, INC.,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND APPENDICES

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MILLER BREWING COMPANY,

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v.

G. HEILEMAN BREWING COMPANY, INC.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Petitioner Miller Brewing Company ("Miller") respectfully prays that a writ of certiorari be issued to review the judgment of the United States Court of Appeals for the Seventh Circuit entered in the above entitled proceeding.

Opinions Below

The opinion reported by the Court of Appeals is reported at —— F.2d —— and is printed in Appendix A hereto, as are the unreported Judgment, subsequent Order of correction and Order denying rehearing.

The Opinions of the District Court are reported at 427 F. Supp. 1192 and 1204 and are printed in Appendix B hereto.

Jurisdiction

The judgment of the Court of Appeals was dated August 17, 1977 and entered August 17, 1977. Rehearing was denied on September 14, 1977. The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1).

Questions Presented

1. Whether it is appropriate for a Court of Appeals, in reversing the grant of a preliminary injunction, to foreclose development of a full record on a critical factual issue in this and in other cases.

2. Whether it was proper for the Court of Appeals to employ the phrase "common descriptive *term* [or *word*]" as a new standard, in this and other cases, for judging whether a trademark is "generic."

3. Whether a trademark registration covering certain goods may be infringed by use of a similar mark on similar, though not identical, goods.

Constitutional Provisions and Statutes

The Fifth Amendment to the Constitution of the United States provides, insofar as it is pertinent here, that "No person shall . . . be deprived of . . . property, without due process of law."

The following statutes and their official citations are printed in Appendix C hereto: Sections 2(e), 2(f), 7(b), 14(c), 15, 32(l), 33(a) and 43(a) of the Lanham Trademark Act, 15 U.S.C. §§1052(e), (f), 1057(b), 1064(c), 1065, 1114(l), 1115(a) and 1125(a).

Statement of the Case

This is one of ten civil actions in eight Districts in five Circuits (A list is annexed as Appendix D). All involve claims by Miller that there is infringement of its rights to LITE as a trademark for reduced calorie beer. Common to all is the issue whether LITE for that product is susceptible to trademark protection.[1]

The background is correctly summarized by both decisions below. LITE is a reduced calorie beer that first was sold by Meister Brau, Inc. in 1967. LITE became and remained a modest success until July, 1972, when Meister Brau, about to become bankrupt, sold the LITE recipe, brand name and good will to Miller. Under Miller, LITE continued at the same level for a year, until Miller reformulated, repackaged and relaunched LITE reduced calorie beer. With advertising expenses rising from virtually nil in 1972 to over 12 million dollars in 1976, LITE sales rose from roughly 50,000 to 4,000,000 barrels annually.

This spectacular success of LITE resulted in a tide of new reduced calorie beers. Several brewers prominently

1. Miller claims rights arising out of federal registration, arising out of the federal law of unfair competition embodied in the Lanham Act §43(a), 15 U.S.C. §1125(a), and arising out of the common law of unfair competition.

utilized LIGHT (or, in one case, LYTE) for these LITE-like beers. Conceding that brewers had a right to employ the term "light" in the manner it previously had been used in the industry, Miller commenced actions against those it believed exceeded those limits.[2]

This suit against G. Heileman Brewing Company ("Heileman") was the fourth such action, chronologically, and the third within the Seventh Circuit. Miller sought and obtained a preliminary injunction enjoining Heileman from continuing its use of a label dominated by the word LIGHT, or from utilizing any other "colorable imitation" of Miller's registration(s) of LITE.

Crucial to whether Miller can succeed in any of the LITE cases is whether LITE (or "light") for beer with reduced calorie content is (1) generic, (2) descriptive, (3) suggestive or (4) arbitrary (or fanciful). *Abercrombie & Fitch Co.* v. *Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976); 1 McCarthy, Trademarks and Unfair Competition §11.1 (1973).[3]

Arbitrary or fanciful terms (which nobody suggests LITE or "light" is for beer) are protectable as trademarks *ab initio*. So are suggestive terms. See, *e.g., Abercrombie & Fitch, supra.* Descriptive terms, upon their acquisition of secondary meaning, may be appropriated as trademarks

2. One brewer, Anheuser-Busch Incorporated, sued Miller first, seeking a declaratory judgment; Miller counterclaimed for trademark infringement.

3. Lanham Act nomenclature substitutes "common descriptive name of an[y] article or substance" for "generic" (§14(c) [an], 15 [any], 15 U.S.C. §§1064(c), 1065) and "merely descriptive" for "descriptive" (§2(e), 15 U.S.C. §1052(e)).

and protected within limits. *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corp.*, 305 U.S. 315, 334-36 (1938). See Lanham Act §2(f), 15 U.S.C. §1052(f). Generic words may not become trademarks. See, *e.g., Abercrombie & Fitch, supra.* Lanham Act §§14(c), 15, 15 U.S.C. §§1064(c), 1065, provide that no trademark rights may be maintained in that which has become "the common descriptive name of an[y] article or substance."

The District Court considered a record showing that prior to the success of LITE, "light" had not been used specifically to describe the reduced calorie content of beers, but had been used to describe various other characteristics of other beers. The District Court found "light" most likely to be "suggestive" for reduced calorie beer; if descriptive, it found secondary meaning probably could be proved. Appendix B, pp. 11-14. The District Court perceived no evidence in the record that "light" had been generic for low calorie beer, and, indeed, Heileman's principal argument to this effect was based upon the challenged conduct of defendants in other LITE cases. Appendix B, pp. 24-25.

The Appeals Court simply held that neither "light" nor LITE could "be appropriated . . . as a trademark for beer," ruling that the words were generic because "light" was "a common descriptive term" or "word" for beer. Appendix A, p. 12.

Reasons for Granting the Writ

1. The decision purports to deny Miller a full hearing on a question of fact—whether "LITE" (or "light") is generic—in ten cases.

Whether LITE is generic turns on a question of fact. More than half a century ago, Judge Learned Hand wrote:

> The single question, as I view it, in all these cases, is merely one of fact: What do the buyers understand by the word for whose use the parties are contending? *Bayer Co.* v. *United Drug Co.*, 272 Fed. 505, 509 (S.D.N.Y. 1921).

It is still accepted law that public understanding is the test.[4]

None of the "facts" (Appendix A, pp. 9-12) upon which the Court of Appeals relied in vacating the grant of a preliminary injunction bore more than incidentally on "public understanding." Indeed, almost none came from the record the Court of Appeals conceded to be "less complete than that in at least one of the other pending cases" (Appendix A, p. 9).

Nevertheless, the holding of the Court of Appeals plainly is being read to establish for all time that "light" and LITE are generic and unprotectable. One LITE defendant stated:

> Although the Court decided the propriety of a preliminary injunction, it effectively determined the merits

4. 3 Callman, Unfair Competition Trademarks and Monopolies, §74.2, p. 237 at text prior to n. 71 (3d ed. 1969); 1 McCarthy, Trademarks and Unfair Competition §12.2 (A), pp. 406-7 (1973); Gilson, Trademark Protection and Practice §2.02 (1), p. 2-11 (1976); Pattishall & Hilliard, Trademarks, Trade Identity and Unfair Trade Practices, §3.23(1), p. 3-25 (1974).

> of Miller's claim since by holding that "light," together with its phonetic equivalents, is a generic or common descriptive word as applied to beer, it found as a matter of law that Miller cannot prevail on the merits.[5]

Defendant in another LITE suit has moved for summary judgment as to trademark infringement claims:

> The use of the unequivocal words "cannot" and "could not" show unequivocally that the Court of Appeals' holding was not based on a failure of proof but on the inherent unprotectability of the generic term "light," or the phonetic equivalent "lite," for beer. Thus, it is established as the law of the Seventh Circuit that "lite" may not be protected as a trademark for beer.[6]

Similarly, the Judicial Panel on Multidistrict Litigation has stated:

> . . . The recent appellate determination in *Heileman* that Miller's trademark is invalid, however, could have a dispositive effect upon all other actions, at least regarding the issue of trademark validity, because of the likelihood that parties in the remaining actions will now seek collateral estoppel relief under the principles of *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation*, 402 U.S. 313 . . . (1971).[7]

5. Robert C. Bernius, Esq. letter of August 23, 1977 to Trademark Trial & Appeal Board, Patent and Trademark Office in *The Genesee Brewing Company, Inc.* v. *Miller Brewing Company*, Cancellation No. 11,324.

6. *Miller Brewing Company* v. *Jos. Schlitz Brewing Co.*, U.S. Dist. Ct. E.D. Wis. Civ. Action No. 75-C-636, Memorandum in support of motion for partial summary judgment filed September 22, 1977, p. 6. Miller is resisting the motion, in part on the grounds mentioned in this point.

7. In re "Lite Beer" Trademark Litigation, MDL Docket No. 302, Opinion and Order filed September 13, 1977, p. 4.

Courts have repeatedly held that the outcome of a motion for preliminary injunction cannot control the ultimate merits of a cause except under the most extraordinary circumstances. (Those circumstances arise only when it appears there is "insuperable objection to maintaining the bill," in which case the action must be dismissed. *Deckert* v. *Independence Corp.*, 311 U.S. 282, 287 [1940]. Here, the Court of Appeals did not order the action dismissed.)

> "Ordinarily an appellate court, upon an appeal from an order granting or denying a temporary injunction, will not go into the merits of the case further than is necessary to determine whether the trial court exceeded a reasonable discretion in making the order, and this is especially true where the rights of the parties can only or can better be determined upon full proof of the facts." [quoting *Pratt* v. *Stout*, 85 F.2d 172, 177 (8th Cir. 1936)].
>
> It must be borne in mind that the parties did not submit the case to the trial court on its merits. It can not be gain-said that the questions of law and fact to be ultimately determined in the action are grave and difficult. The decision of the trial court on granting the motion for preliminary injunction will not estop either of the parties on the trial of the case on its merits, nor would any determination of those questions by this court on appeal be binding on the trial court nor upon either of the parties in considering and determining the merits of the controversy. . . . There is sound reason for the rule that the decision of either the trial or appellate court in granting or denying the temporary injunction does not constitute the law of the case and will not estop the parties nor the court as to the merits of the case. . . . *Benson Hotel Corp.* v. *Woods*, 168 F.2d 694, 697 (8th Cir. 1948).

As shown above, the Court of Appeals decision is being read as the death knell for Miller in this and nine other cases.[8] It is so read because the Court of Appeals substituted its judgment for that of the District Court on a factual issue as to which neither litigant had developed more than the preliminary record normal for hearings of preliminary injunction motions. Such a result effectively denies Miller its right to its day in court and to a full and fair hearing in ten cases of the critical issue—whether the meaning to the public of LITE or "light" is such that it is generic for beer with reduced calories. "We think the court committed serious error in thus dealing with the case upon motion for temporary injunction." *Mayo* v. *Canning Co.*, 309 U.S. 310, 316 (1940). See *Capital City Gas Company* v. *Phillips Petroleum Company*, 373 F.2d 128, 131 (2nd Cir. 1967); *Nationwide Amusements, Inc.* v. *Nattin*, 452 F.2d 651, 652 (4th Cir. 1971); *Sooner State Dairies, Inc.* v. *Townley's Dairy Company*, 406 F.2d 1328 (10th Cir. 1969).

This practice is contrary to the procedures employed in this Court and other Courts of Appeals for affording litigants a fair hearing, and constitutes such a departure from the accepted and usual course of judicial proceedings as to call for the exercise of this Court's power of supervision.

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8. Miller raised this point in its Petition for Rehearing, which was denied summarily.

2. The creation of a new legal standard for determining what is generic—as fundamental an issue as can be found in trademark law—merits correction by this Court before it infects numerous other litigations.

The cornerstone of the Court of Appeals decision is the equation of "generic" with "common descriptive word" or "term". That equation is unprecedented. The "common descriptive" phraseology comes from the Lanham Act formulation of what is generic as "common descriptive name of an[y] article or substance." Substitution of "term" or "word" for "name of an[y] article or substance" totally changes the meaning, as the Court's own reasoning demonstrates.

The Court of Appeals begins by stating that a "term . . . which is commonly used as the name or description of a kind of goods . . . cannot become a trademark under any circumstances." Appendix A, p. 7. The principal authority relied upon for that proposition is *William R. Warner & Co.* v. *Eli Lilly & Co.*, 265 U.S. 526, 528 (1924). After the *Warner* decision, *Armstrong Paint & Varnish,* (*supra,* p. 5) and the Lanham Act (§2(f), 15 U.S.C. §1052(f)) have recognized expressly that terms which describe goods are no longer ineligible for trademark protection, but may, upon acquisition of secondary meaning, acquire trademark status.[9]

9. It should perhaps be noted that the Court of Appeals found there to be "enough evidence" to support the District Court's finding of secondary meaning (Appendix A, p. 8, n.6). Moreover, §33(b)(4) of the Lanham Act, 15 U.S.C. §1115(b)(4), affords adequate safeguards for continued use by others of such terms in their descriptive sense.

Having correctly noted that a "descriptive [or merely descriptive] term specifically *describes* a *characteristic* . . . of an article" (Appendix A, p. 7, emphasis added), the Court of Appeals introduces its exposition of why " 'Light' is generic" with the statement that " 'Light' has been widely used in the beer industry for many years to *describe* a beer's color, flavor, body, or alcoholic content, or a combination of these or similar *characteristics*" (Appendix A, p. 9, emphasis added).

The Court then proceeds to illustrate several more instances in which "light" describes characteristics of beer (and other things). From this basis of illustrations, each of which establishes that "light" is descriptive under the Court's own test, the Court of Appeals then concludes that "light" is generic—a totally incongruous legal result with drastically different consequences.

This merits review for two reasons.

First, There can hardly be a more basic question to trademark law than what standards are used to determine what qualifies for protection at the outset. Here, Miller has invested years of effort and tens of millions of dollars in building consumer acceptance of a registered trademark suddenly held to be invalid. The proposition that a word is generic because it is descriptive, even if its descriptive use is comon, demolishes the basic distinction between what is generic and unprotectable and what is descriptive and protectable. It is an entirely new formulation of law, having no apparent roots in either precedent or logic. This area of trademark law has developed without this Court's

guidance or attention for nearly four decades.[10] Now that there has been a fundamental departure from the orderly judicial development of this basic foundation of trademark law, it is important that this Court articulate the standards for determining what is generic.

Second, the decision below promises to have an industry-wide impact, and to dictate the outcome of ten cases in eight different Courts. Without correction by this Court, the decision below threatens to implant an erroneous concept of law in a number of decisions (and precedents), and consequently to have far greater impact on the entire fabric of trademark law than would be suggested by this one case's limits.

3. The decision departs from settled statutory and decisional law relative to the scope of registrations.

Because Miller's registrations of LITE are for "beer with no available carbohydrates" and because Heileman's product contains some "available carbohydrates", the Court of Appeals appears to hold that the registrations are not infringed (Appendix A, pp. 5-6).[11] The Court of Appeals evidently predicates this conclusion upon the observation that the statutory presumption of Lanham Act §33(a), 15 U.S.C. §1115(a), that registration "shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods . . . specified in the registration" does not, literally, apply.

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10. The last case which touched on this question appears to be *Kellogg Co.* v. *National Biscuit Co.*, 305 U.S. 111 (1938), which accepted, rather than determined, that "shredded wheat" was the name of the substance.

11. The record made before the District Court on the meaning of "available carbohydrates" is sketchy, and inconclusive, at best.

The test of infringement, however, is whether the "goods" (and mark) of the putative infringer are so similar as to be "likely to cause confusion, or to cause mistake, or to deceive . . .". Lanham Act §32(1), 15 U.S.C. §1114(1). The settled law of every Circuit is that minor differences in products do not avoid infringement. See, *e.g., Union Carbide Corp.* v. *Ever-Ready, Inc.*, 531 F.2d 366 (7th Cir.) *cert. denied* —— U.S. ——, 97 S.Ct. 91 (1976)—mark for batteries, etc. infringed by similar mark for high intensity lamps; *James Burrough Ltd.* v. *Sign of Beefeater, Inc.*, 540 F.2d 266 (7th Cir. 1976)—mark for gin infringed by similar restaurant name.

In the contexts of the other errors, this is a sufficient departure from settled statutory and decisional law as to merit correction by this Court.

Conclusion

For the reasons stated, the petition for a writ of certiorari should be granted.

Respectfully submitted,

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Appendices

APPENDIX A

Opinion of the United States Court of Appeals for the Seventh Circuit

IN THE

UNITED STATES COURT OF APPEALS

FOR THE SEVENTH CIRCUIT

No. 77-1246

MILLER BREWING COMPANY,
Plaintiff-Appellee,

v.

G. HEILEMAN BREWING COMPANY, INC.,
Defendant-Appellant.

Appeal from the United States District Court for the
Western District of Wisconsin
No. 76-C-584—James E. Doyle, *Judge.*

ARGUED APRIL 26, 1977—DECIDED AUGUST 17, 1977

Before TONE, BAUER and WOOD, *Circuit Judges.*

TONE, *Circuit Judge.* This appeal presents the question whether a misspelled version of the word "light" can become a trademark for a "less filling, low-calorie

beer." The District Court answered the question affirmatively and, based on that determination, granted a preliminary injunction, which this court has stayed pending appeal. We hold that, because "light" is a generic or common descriptive word when applied to beer, neither that word nor its phonetic equivalent may be appropriated as a trademark for beer. We therefore reverse the preliminary injunction order.

In May of 1967 a now defunct Chicago brewer, Meister Brau, Inc., began making and selling a reduced calorie, reduced carbohydrate beer under the name "LITE." Late in 1968 that company filed applications for registration of "LITE" as a trademark on the principal register in the United States Patent Office, which ultimately approved three registrations[1] on the principal register of labels containing the name "LITE" for "beer with no available carbohydrates."[2] Meister Brau continued producing and selling beer under the brand name "LITE" in the Chicago area during 1970 and 1971. In 1971 it changed the label used on cans and bottles to eliminate the words "Meister Brau," which had appeared above the word "LITE."

In 1972, with its demise iminent, Meister Brau sold its interest in the "LITE" trademarks, the registrations thereof, and the accompanying goodwill to the plaintiff

1. All three applications were filed in November 1970. The first, Registration No. 905,236, showing a label with only the word "LITE," written in script, was registered December 29, 1970. The second, Registration No. 929,276, showing the words "Meister Brau" in capital letters and underneath the word "LITE" in script similar to the first registration, was registered February 15, 1972. The third, Registration No. 929,277, showing only the word "LITE," written in script similar to that used in the other two registrations, was also registered February 15, 1972.

2. "Available" in this sense means "capable of being utilized by a[n] . . . animal." *Webster's Third New International Dictionary* 150 (1971).

Miller Brewing Company. For a time Miller continued selling beer under that brand in the Meister Brau marketing area in somewhat smaller quantities than Meister Brau had distributed.

Miller then decided to expand its marketing of beer under the brand "LITE." It developed a modified recipe, which resulted in a beer lower in calories than Miller's regular beer but not without available carbohydrates. The label was revised and one of the registrations was amended to show "LITE" printed rather than in script.[3] In addition, an extensive advertising campaign was undertaken. From 1973 through 1976, Miller expanded its annual sales of "LITE" from 50,000 barrels to 4,000,000 barrels and increased its annual advertising expenditures from $500,000 to more than $12,000,000. In support of its motion for a preliminary injunction in this case, Miller submitted the results of a survey which, as the District Court noted in its opinion and order, showed "that between December, 1975 and March, 1976, a substantial percentage of beer drinkers perceived LITE (43%), Miller LITE (11%) or LITE from or by Miller (1%) as a distinct brand name indicative of a low-calorie or less-filling beer."

Since early 1975 a number of other brewers have introduced reduced calorie beers labeled or described as "light."[4] One of these, although not the first, was the defendant G. Heileman Brewing Company, Inc., which began using the name on a beer low in calories but containing available carbohydrates in five test markets in 1976. Heileman had long been engaged in the production

3. Registration No. 929,277 was so amended in June 1975.

4. The beer industry apparently has refrained from describing any of its products as "low-calorie" since 1955, pursuant to the request of the Alcohol and Tobacco Tax Division of the Internal Revenue Service. [Affidavit of James Van Santen, ¶9 (Feb. 8, 1977).]

and sale of other brands of beer, among which were "Old Style" and "Special Export." The small print on the label Heileman has used for many years for its "Old Style" beer describes that product as "light lager beer."

Miller began filing trademark infringement actions against competitors to enjoin the use of the word "light" at least as early as October 1975, but none of the cases has yet come to trial. Miller did not seek a preliminary injunction against any competitor until the filing of the instant action in November 1976. Two of the seven other brewers against whom actions are pending, Jos. Schlitz Brewing Co. and Peter Hand Brewing Company, have filed briefs *amici curiae* in this action.

On the basis of affidavits and other written material, the District Court in the case at bar enjoined Heileman from continuing to sell, advertise, and distribute beer "anywhere in the United States, under the brand name incorporating the word 'Light' in the manner of the label attached to the complaint herein . . . and under any colorable imitation of" the labels which had been registered with the Patent Office. This interlocutory appeal is taken from that order as later modified. The label used by Heileman at the time the injunction was entered featured the word "Light" in print much larger than the name "Heileman." As an alternative to its motion in the District Court to vacate the injunction order, Heileman filed a declaration of intent to change its label to a form in which the name "Heileman" and the word "Light" appeared in the same size print and a motion for a determination that the new label would not be a "colorable imitation" of the registered labels. The District Court declined to decide the alternative motion, noting that Heileman apparently intended to proceed with the change in labels only if the court declared that the new label was not a colorable imitation of the registered trademarks. Heileman nevertheless proceeded to change its label to the new form and, after the appeal had been docketed, filed in this court a "notification of label change" reciting that, effective no later than April 15, 1977, it "will have wholly abandoned use of the word 'Light' in the form of the [old] "label."

Mootness

Before reaching the merits, we must consider the effect of Heileman's formal abandonment of the old label. Assuming without deciding that this act deprived Heileman of standing to challenge the part of the injunction directed against that label or rendered moot any issue as to that label, the appeal is nevertheless not moot. The injunction also runs against "any colorable imitation" of three registered labels, two of which consist simply of the misspelled word "lite." This added proscription must be read in the context, first, of the prohibition against use of the old label, which was not a colorable imitation of the registered labels in any sense except its prominent use of the word "light," spelled correctly, and, second, of the district judge's memorandum and supplements thereto, which make it clear that he believed Miller would probably prevail on its claim to the exclusive use of the word "lite" and its phonetic equivalent on low-calorie beer. So read, we believe the colorable imitation clause is intended to enjoin the use of the word "light" in any prominent way on a label for low-calorie beer. Therefore, the case is not moot.

The Effect of Registration

Miller claims the benefit of 15 U.S.C. §1115(a), which provides that registration on the principal register

> "shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the

goods or services specified in the registration subject to any conditions or limitations stated theerin. . . .'"[5]

The three registrations on which Miller relies specify "beer with no available carbohydrates" as the goods on which the registered mark is to be used. This limitation came about because the Patent Office refused registration on the applications as initially filed, which described the goods as "beer," on the ground that "LITE" was "merely descriptive" and therefore not registrable because of 15 USC §1052(e)(1). In response to this action, Meister Brau offered evidence of secondary meaning, but in addition its attorney stated that "the beer in connection with which Applicant uses this mark is no-available carbohydrates beer . . ." and also had "one-third less calories than ordinary draft beer," and that "LITE" was suggestive rather than merely descriptive of these qualities. The examiner then required that the applications be amended to describe the goods to which the mark applied as "beer with no available carbohydrates" and they were so amended. We hold that the statute means what it says. The registrations are prima facie evidence of Miller's exclusive right to use the word "LITE" for beer with no available carbohydrates, not for any beer, a breadth of coverage which the applicant disclaimed by amending its applications. Inasmuch as the beer marketed by Heileman as its "Light" beer contains available carbohydrates, as indeed does Miller's "LITE," the registrations are not prima facie evidence of Miller's exclusive right to use the mark on that beer. Thus, although we think the result would be the same whether or not §1115(a) applied, Miller's brand name "LITE" must be evaluated under the common law of trademarks without the benefit of registration.

5. Miller does not argue that the mark is incontestable. It could acquire that status only through the filing of an affidavit in the Patent Office under 15 U.S.C. §1065 (Supp. V 1975).

General Principles

The basic principles of trademark law which are applicable here have often been stated, *e.g., Abercrombie & Fitch Co.* v. *Hunting World, Inc.*, 537 F.2d 4, 9-11 (2d Cir. 1976); *Union Carbide Corp.* v. *Ever-Ready, Inc.*, 531 F.2d 366, 378-379 (7th Cir.) *cert. denied*, 97 S. Ct. 91 (1976), and may be briefly summarized. A term for which trademark protection is claimed will fit somewhere in the spectrum which ranges through (1) generic or common descriptive and (2) merely descriptive to (3) suggestive and (4) arbitrary or fanciful. As the ease with which hues in the solar spectrum may be classified on the basis of perception will depend upon where they fall in that spectrum, so it is with a term on the trademark spectrum.

A generic or common descriptive term is one which is commonly used as the name or description of a kind of goods. It cannot become a trademark under any circumstances. *William R. Warner & Co.* v. *Eli Lilly & Co.*, 265 U.S. 526, 528 (1924); *Henry Heide, Inc.* v. *George Ziegler Co.*, 354 F.2d 574, 576 (7th Cir. 1965); *CES Publishing Corp.* v. *St. Regis Publications, Inc.*, 531 F.2d 11, 13 (2d Cir. 1975). Using the phonetic equivalent of a common descriptive word, *i.e.*, misspelling it, is of no avail. *American Aloe Corp.* v. *Aloe Creme Laboratories, Inc.*, 420 F.2d 1248, 1252-1253 (7th Cir.), *cert. denied*, 398 U.S. 929, 400 U.S. 820 (1970).

A merely descriptive term specifically describes a characteristic or ingredient of an article. It can, by acquiring a secondary meaning, *i.e.*, becoming "distinctive of the applicant's goods" (15 U.S.C. §1052(f)), become a valid trademark. See *Abercrombie & Fitch Co.* v. *Hunting World, Inc., supra*, 537 F.2d at 10.

A suggestive term suggests rather than describes an ingredient or characteristic of the goods and requires the observer or listener to use imagination and perception to

determine the nature of the goods. Such a term can be protected without proof of a secondary meaning. *Id.* at 11.

An arbitrary or fanciful term enjoys the same full protection as a suggestive term but is far enough removed from the merely descriptive not to be vulnerable to possible attack as being merely descriptive rather than suggestive. *Id.*

Miller's Position

Although Miller argued in the District Court that "LITE" was suggestive, and persuaded the District Court that this was so with respect to the quality of being reduced in calories, it conceded in oral argument before us that the choice is between (1) generic or common descriptive and (2) merely descriptive.[6] Miller argues that light beer is not a "genus," indeed that "light," as an adjective, cannot be a generic or common descriptive term, and that it is a merely descriptive term that has acquired a secondary meaning.

An Adjective as a Generic Term

The fact that "light" is an adjective does not prevent it from being a generic or common descriptive word. See 1 J. T. McCarthy, *Trademarks and Unfair Competition* §12:2 at 409 (1973); *Application of Preformed Line Products Co.*, 323 F.2d 1007 (C.C.P.A. 1963); *Application of Helena Rubinstein, Inc.*, 410 F.2d 438 (C.C.P.A. 1969). See also 3 Callman, *The Law of Unfair Competition, Trademarks and Monopolies* §§70.4, 74.1 (3d ed. 1969), which Miller calls "the leading treatise." This must be the law, given the

6. In its brief it says that it does not matter whether the term is suggestive or merely descriptive because "either way it is susceptible of appropriation as a trademark for less filling, reduced calorie beers." On this record, this is probably correct, because even if the mark is merely descriptive there is enough evidence of secondary meaning to support the District Court's order. If it were suggestive, proof of secondary meaning would be unnecessary.

reason for the rule that precludes appropriation of a common descriptive word, *viz.*, otherwise "a competitor could not describe his goods as what they are." *CES Publishing Corp.* v. *St. Regis Publications, Inc., supra,* 531 F.2d at 13. Ordinarily, as here, the adjective which is sought to be appropriated in its generic sense[7] as a trademark will be a part of a name. See, *e.g., Roselux Chemical Co.* v. *Parsons Ammonia Co.*, 299 F.2d 855, 863 (C.C.P.A. 1962) ("sudsy" ammonia). If "light beer" is a generic name, then "light" is a generic word when used as part of that name.

"Light" Is Generic

The record before us (although less complete than that in at least one of the other pending cases[8]) and facts of which we may take judicial notice, including generally accepted English usage, enable us to conclude that "light" is a generic or common descriptive term when used with "beer."

"Light" has been widely used in the beer industry for many years to describe a beer's color, flavor, body, or alcoholic content, or a combination of these or similar characteristics.[9] The use of that word by Heileman and other brewers long antedated either Miller's or Meister

7. Of course a word that is generic when used in its ordinary sense can be classified at the other end of the spectrum, arbitrary or fanciful, if used in an arbitrary or fanciful sense. *Abercrombie & Fitch Co.* v. *Hunting World, Inc.*, 537 F.2d 4, 10 (2d Cir. 1976).

8. So we are informed by Jos. Schlitz Brewing Co., defendant in that case, and *amicus curiae* here.

9. *E.g.*, cited by the Patent Examiner against Meister Brau's original applications for registration was Storz Brewing Company's registration (circa 1954), "America's Light Refreshing Beer." When Heileman sought to register "America's Great Light Beer," which it had used for its Blatz brand beer since 1970, the Patent Office required a disclaimer of "light beer" as a condition to granting registration.

Brau's use of "LITE." The definition given in *Webster's Third New International Dictionary, supra,* at 1308, of "light" as an adjective includes the following:

> "10 *of a beverage* a: having a comparatively low alcoholic content ([light] wines and beers) b: having a low concentration of flavoring congenerics : characterized by a relatively mild flavor : not heavy 11a: capable of being easily digested (a [light] soup) . . . ."

The comparable definition in the previous, and for many the classic, edition of the same dictionary is as follows:

> "3. . . . a Easy to be digested; not oppressive to the stomach; as, *light* food . . . ."
>
> • • •
>
> "11. Of wines, beers, etc., not heavy or strong; having a relatively small percentage of alcohol."

Webster's New International Dictionary 1429 (2d ed. 1940). The definition of "pilsner" or "pilsener" in *Webster's Third New International Dictionary, supra,* at 1716, is:

> "1. a: light Bohemian beer with a strong hop flavor b: a beer of a similar type . . . ."

Similar definitions and usage are found in reference works on chemical technology, industry publications, and magazines and newspapers generally. Indeed, state statutes even use "light beer" as a generic or common descriptive term.[10] "Light" is clearly a common descriptive word when used with beer.

10. 37 Okla. Stats. §506(12), (13) (1951); Utah Stats. §§32-4-10, 32-4-14 through 32-4-17 (1953). The word "light" is also used to describe wine with a low alcohol content. 1947 Ark. Stats. §48-503; D.C. Code §25-103(c), 25-111, as amended (1977); La. Rev. Stats. §26:71.1 (1975); 1957 Ann. Code of Md., Article 2B, §§2(c), 3, 12A, 13 through 16, as amended (1976); 1972 Ann. Code of Mississippi §§67-3-1, 67-3-5, 67-3-13.

"Light" is also a common descriptive word in other similar contexts. Miller's president testified by deposition in this case that Miller chose the word "LITE" for its low-calorie beer because of its desire to capitalize on the trend of "consumer products going lighter all over the world, be it foods, be it whiskeys, be it cigarettes," as well as to "convey the message that it would be lighter in taste" and to communicate "the conception of a less filling product." Miller's parent company, Philip Morris, Inc., registered "Light" (Registration No. 878-062) and used that word as a brand name for cigarettes (Marlboro Light). Judge Stewart held the word to be descriptive and ordered the registration cancelled in *Philip Morris, Inc.* v. *R. J. Reynolds Tobacco Co.,* 188 U.S.P.Q. 289 (S.D.N.Y. 1975), a decision from which no appeal was taken. The word is also used by Pepsico, Inc. for "Pepsi Light" a soft drink described as having "half the calories out."

Miller argues that it uses the word as the name for "less filling, low calorie" beer, and that "light" has not heretofore been used in that sense. This argument fails for two reasons. First, "less filling" means essentially light in body and taste and not oppressive to the stomach, which is a common descriptive meaning of "light"; and, as Miller conceded in its brief, the caloric content of beer depends primarily on alcoholic content.[11] Second, even if Miller had given its light beer a characteristic not found in other light beers, it could not acquire the exclusive right to use the common descriptive word "light" as a trademark for that beer. Other brewers whose beers have qualities that make them "light" as that word has com-

11. Miller attempted at oral argument to qualify this concession, Heileman having pointed out in its reply brief that "low in calories" adds nothing to "low in alcoholic content." In any event, we can take judicial notice that alcoholic and caloric content go hand in hand.

monly been used remain free to call their beer "light." Otherwise a manufacturer could remove a common descriptive word from the public domain by investing his goods with an additional quality, thus gaining the exclusive right to call his wine "rosé," his whiskey "blended," or his bread "white."

The word "light," including its phonetic equivalent "lite," being a generic or common descriptive term as applied to beer, could not be exclusively appropriated by Miller as a trademark, "despite whatever promotional effort [Miller] may have expended to exploit it." *Henry Heide, Inc.* v. *George Ziegler Co., supra,* 354 F.2d at 576; see *Abercrombie & Fitch Co.* v. *Hunting World, Inc., supra,* 537 F.2d at 9-10. Because probability of success cannot be established, other issues argued by the parties need not be decided, and the preliminary injunction must be reversed.

REVERSED.

A true Copy:
Teste:

Clerk of the United States Court of Appeals for the Seventh Circuit

Judgment of the United States Court of Appeals for the Seventh Circuit Dated August 17, 1977

Opinion by Judge Tone

UNITED STATES COURT OF APPEALS

FOR THE SEVENTH CIRCUIT

Chicago, Illinois 60604

August 17, 1977

Before

Hon. PHILIP W. TONE, Circuit Judge
Hon. WILLIAM J. BAUER, Circuit Judge
Hon. HARLINGTON WOOD, JR., Circuit Judge

No. 77-1246

MILLER BREWING COMPANY,
Plaintiff-Appellee,

vs.

G. HEILEMAN BREWING COMPANY, INC.,
Defendant-Appellant.

Appeal from the United States District Court for the Western District of Wisconsin.

No. 76-C-584

James E. Doyle, Judge.

This cause came on to be heard on the transcript of the record from the United States District Court for the Western District of Wisconsin, and was argued by counsel.

On consideration whereof, it is ordered and adjudged by this court that the judgment of the said District Court in this cause appealed from be, and the same is hereby, REVERSED, with costs, in accordance with the opinion of this court filed this date.

Appendix A

Order of the United States Court of Appeals for the Seventh Circuit Dated August 23, 1977

UNITED STATES COURT OF APPEALS

FOR THE SEVENTH CIRCUIT

Chicago, Illinois 60604

August 23, 1977

Before

Hon. PHILIP W. TONE, Circuit Judge
Hon. WILLIAM J. BAUER, Circuit Judge
Hon. HARLINGTON WOOD, JR., Circuit Judge

No. 77-1246

MILLER BREWING COMPANY,
Plaintiff-Appellee,

vs.

G. HEILEMAN BREWING COMPANY, INC.,
Defendant-Appellant.

Appeal from the United States District Court
for the Western District of Wisconsin.

No. 76-C-584

James E. Doyle, Judge.

The opinion filed August 17, 1977 is hereby corrected as follows:

The statement on page 9 that "Miller's president testified by deposition in this case" is changed to read "Miller's president testified in a deposition which has been made part of this record . . . ."

Appendix A

Order of the United States Court of Appeals for the Seventh Circuit Dated September 14, 1977

UNITED STATES COURT OF APPEALS

FOR THE SEVENTH CIRCUIT

Chicago, Illinois 60604

September 14, 1977

Before

Hon. PHILIP W. TONE, Circuit Judge
Hon. WILLIAM J. BAUER, Circuit Judge
Hon. HARLINGTON WOOD, JR., Circuit Judge

No. 77-1246

MILLER BREWING COMPANY,
Plaintiff-Appellee,

vs.

G. HEILEMAN BREWING COMPANY, INC.,
Defendant-Appellant.

Appeal from the United States District Court
for the Western District of Wisconsin.

No. 76-C-584

James E. Doyle, Judge.

On consideration of the petition for rehearing and suggestion for rehearing in banc filed in the above-entitled cause by plaintiff-appellee, no judge in active service has requested a vote thereon, and all of the judges on the original panel have voted to deny a rehearing. Accordingly,

IT IS ORDERED that the aforesaid petition for rehearing be, and the same is hereby, DENIED.

APPENDIX B

Opinion and Order of James E. Doyle, District Judge, Dated January 21, 1977

UNITED STATES DISTRICT COURT

W. D. Wisconsin

Miller Brewing Company,

Plaintiff,

v.

G. Heileman Brewing Co., Inc.,

Defendant.

No. 76-C-584

Jan. 21, 1977

John D. Winner, Winner, McCallum & Hendee, Madison, Wis., Anthony Fletcher, Conboy, Hewitt, O'Brien & Boardman, New York City, Allen W. Leiser, Quarles & Brady, Milwaukee, Wis., for plaintiff.

James Van Santen, Hill, Gross, Simpson, Van Santen, Steadman, Chiara & Simpson, Chicago, Ill., Steven E. Keane and John S. Skilton, Foley & Lardner, Milwaukee, Wis., for defendant.

James E. Doyle, *District Judge.*

This is an action for trademark infringement, false designation of origin, and unfair competition by plaintiff (Miller). Miller seeks a preliminary injunction to prevent defendant's (Heileman's) continued sale, advertising, and distribution of beer under a brand name incorporating the word "LIGHT," the word "LITE," or any colorable

imitation of either word. For the purposes of this motion only, I make the findings of fact set forth hereinafter under the heading "Facts."

Jurisdiction exists for the trademark infringement cause of action under 15 U.S.C.A. §1121 (1974) and 28 U.S.C.A. §1338(a) (1976).

Facts

Miller and Heileman are brewers and sellers of beer. Miller distributes its beer nationally; Heileman, in several regions. As of the end of 1975, Miller was the nation's fourth largest brewer, selling 12.8 million barrels of beer in 1975; Heileman was seventh, selling 4.5 million barrels of beer.

About May 1967, Meister Brau, Inc. (Meister Brau), a Chicago brewer, began brewing and selling a reduced calorie beer which it sold under the trademark (MEISTER BRAU) LITE.

In November 1968, Meister Brau applied to register LITE as a trademark for beer on the principal register in the United States Patent Office. The Patent Office initially refused registration under 15 U.S.C. §1052(e) on the ground that LITE was "merely descriptive" and might cause confusion with similarly registered trademarks of other non-beer products. Meister Brau overcame this objection by demonstrating to the satisfaction of the Patent Office that the mark had acquired a "distinctiveness" in the commerce of beer and thus was entitled to registration under *id.* §1052(f). The evidence supporting this finding of distinctiveness consisted of affidavits by Meister Brau executives showing sales of over 60 million bottles and cans of this brand of beer, extensive advertising of the brand on television and in the print media, and letters from five competing beer producers recognizing

LITE as a distinct brand name cultivated by Meister Brau.[1]

On the basis of Meister Brau's showing, the Patent Office approved three registrations on the principal register for beer with no available carbohydrates.

Reg. No.	*Date*	*Trademark*
905,236	Dec. 29, 1970	LITE label (Color blue)
929,276	Feb. 15, 1972	Meister Brau Lite design (color blue)
929,277	Feb. 15, 1972	LITE design (no color)[2]

Meister Brau continued producing and marketing LITE beer during the time these trademark registrations were pending, changing the labeling by 1971 to eliminate the Meister Brau designation above LITE. In 1970 and 1971, Meister Brau sold over 75,000 and 65,000 barrels of LITE, respectively.

Facing bankruptcy in 1972, Meister Brau sold several of its recipes, trademarks and other indicia of good will to Miller. Included in the sale was the assignment of Meister Brau's entire interest in its LITE trademarks and the registrations thereof, and the good will. Miller continued the brand in the core of the Meister Brau marketing area, with its and Meister Brau's (earlier) sales exceeding 55,000 barrels in 1972, and Miller's sales exceeding 50,000 barrels in 1973 and 40,000 barrels in 1974.

Concurrently, Miller re-examined the LITE brand and its marketing, concluding a broader market might exist if several aspects of the brand could be improved. First was taste; Miller believed it could improve the taste quality of LITE, and after a year or more of experimentation,

1. The five companies were P. Ballantine & Sons, Falstaff Brewing Corporation, Pabst Brewing Company, Jos. Schlitz Brewing Company, and the Stroh Brewing Company.

2. Amended by Miller on June 3, 1975.

adopted a modified recipe for LITE. Second was packaging; a revised more vigorous label was designed. Third was advertising; a new, straightforward, "more masculinely" oriented campaign was developed.

Miller tested its revised recipe, packaging and advertising approach, found them successful, expanded its marketing of LITE (replacing the former packaging with the new in the old Meister Brau marketing areas in 1974) and by early 1975 was distributing the brand nationally. The label Miller adopted had the word "LITE" in the most prominent position, the words "A Fine Pilsner Beer" in a somewhat less prominent position, and the Miller name in relatively very small letters.

Miller introduced the revised LITE in four markets in July of 1973, selling over 50,000 barrels (and spending over $500,000 advertising the brand). More than a dozen more markets were added during 1974; sales exceeded 400,000 barrels, advertising expenses, $4,000,000. With national distribution and advertising in 1975, sales exceeded two and one-half million barrels, advertising expenses, $10,000,000. In 1976, more than four million barrels were expected to be sold with more than $12,000,000 to be spent on advertising.

The effect of this advertising has been that between December, 1975 and March, 1976, a substantial percentage of beer drinkers perceived LITE (43%), Miller LITE (11%), or LITE from or by Miller (1%) as a distinct brand name indicative of a low-calorie or less-filling beer.[3]

In August, 1975, The Peter Hand Brewing Company, a small brewery in Chicago, launched a reduced calorie beer under a label which included the words: "Peter Hand"; "A Special Pilsner extra Light Beer"; "Smoother Less-Filling." The word "Light" was by far the most

3. The percentages are based upon the results of a survey, the validity of which I accept in these findings. However, of course, I find that the percentages are approximations of consumer perceptions.

prominent word on the label, much more prominent than the Peter Hand designation. An overwhelming majority[4] of beer-drinking consumers who were allowed to view three different cans of beer—including Peter Hand (extra) Light—for 15 seconds each, identified the Peter Hand product as "LIGHT" or "LITE" and not as a Peter Hand product when asked to identify the beers which they had just seen but were no longer in view. Suit has been brought by Miller against Peter Hand for trademark infringement and is pending in the United States District Court for the Northern District of Illinois.

In November, 1975, the Jos. Schlitz Brewing Company, the nation's second largest brewer, launched a reduced calorie beer bearing a generally yellow label that displayed the word "Light" in by far the most prominent position. The words "Schlitz," "Beer," and "Special Lager" were in the proximity of the word "Light" but were considerably less prominent. There have been numerous examples of actual confusion on the part of consumers between "LITE" and (Schlitz) "Light." Suit was brought by Miller against Schlitz and is pending in the United States District Court for the Eastern District of Wisconsin.

Now, Heileman has introduced a reduced calorie beer in five scattered test markets bearing a label (Exhibit E to the complaint herein) which also prominently displays the word "LIGHT." While this word appears on the "House of Heileman" seal and the word "Heileman" appears three times in the immediate vicinity of the word "LIGHT," the word "LIGHT" is by far the most prominent and eye-catching word on the label. Heileman has

4. The survey upon which this statement is based employed the methodology of intercepting and interviewing 284 beer drinkers in two shopping malls in the Chicago metropolitan area. Since the sample upon which this survey is based was somewhat narrowly drawn, the results could be used for determining the existence of attitudes although not for quantifying them.

expended considerable resources in preparation for the introduction of its low-calorie beer under the "LIGHT" label:

Production Costs	
Cases produced through November 11, 1976	$113,007.00
Beer in tanks	8,405.00
Manufacturing Supplies in Inventory as of November 11, 1976	
Cans	29,352.00
Can Trays	1,157.00
Tray Die Changes	404.00
Can Die Changes	400.00
Media Advertising	
Television production	18,500.00
Print production	3,500.00
Purchase of television time	114,938.00
Purchase of print space	23,932.00
Point of Sale Advertising	
Embossagraph Company	100,558.00
Inland Printing Company	9,710.00
Total	$423,863.00

Heileman has been engaged for some time, and intends to continue to engage, in the production and sale of other brands of beer, notably "Old Style" and "Special Export." Unless enjoined, Heileman will proceed to market its "Light" beer under its mark in competition with Miller's "LITE."

The respective beers of plaintiff and defendant which bear the trademarks in dispute are similar products, and

the parties will be attempting to sell them to the same consuming public through the same general channels of distribution, employing the same general means and media for advertising and promotion. Beer is a relatively inexpensive commodity (as compared with automobiles, clothing, or household furnishings and appliances, for example) and expenditures for it are likely to be made by consumers with less care than expenditures for more expensive items. Although prior to purchase, purchasers of packages of beer in retail stores may see the rival beers in their respective containers, side by side or in close proximity, this will often not be true. It will seldom be true of purchasers of single glasses, bottles, or cans of beer in taverns, restaurants, and night clubs, where orders are placed orally by the customers to the bartenders or waiters. That "LITE" and "LIGHT" are phonetically identical means, of course, that they cannot be distinguished in conversation among members of the public, in radio advertising, or in oral communication between customers and waiters or bartenders.[5]

Opinion

In order to succeed in its motion for a preliminary injunction, plaintiff must demonstrate: (I) that it will probably succeed on the merits; (II) that there is a significant threat of irreparable harm to the plaintiff if the injunction is not granted; (III) that the balance of harms to the defendant and plaintiff if an injunction is or is not issued favors issuance; and (IV) that the public interest will not be disserved by issuance of the injunction. See generally *Doeskin Products* v. *United Paper Co.*, 195 F.2d 356, 358-59

5. The findings in this paragraph are made by the exercise of judicial notice of matters of common knowledge.

(7th Cir. 1952); *Selchow & Righter Co.* v. *Western Printing & L. Co.*, 112 F.2d 430, 431-32 (7th Cir. 1940).

I. The Probability or Improbability that Plaintiff Will Succeed on the Merits

In order for plaintiff ultimately to prevail on its trademark infringement cause of action it must show both that it has a right to the exclusive use of the trademark and that the defendant's use infringes upon that right.

A. Plaintiff's right or lack thereof to the exclusive use of the trademark

A trademark is defined as:

> . . . any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

15 U.S.C.A. §1127 (1976).

The registration of trademarks is governed by certain statutory provisions, especially 15 U.S.C.A. §§1051, 1052 (1976).[6] The purpose of this registration scheme is not to create a trademark right but simply to provide for trademark publication. *Nashville Syrup Co.* v. *Coca Cola Co.*, 215 F. 527, 529 (6th Cir. 1914), and to allocate burdens of proof in the trial of an action for infringement.

The fact of Meister Brau's (Miller's assignor[7]) registration[8] of the marks will be admissible in evidence at trial and "shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods . . . specified in the registration . . . ." *Id.* §1115(a).[9] Upon showing at trial Meister Brau's registration and the assignment to it, Miller will be entitled to the presumption that the registration is valid, that Miller is the owner of the mark, and that Miller has exclusive right to use the mark in commerce under the specified conditions and limitations of the registration, but Heileman is free to challenge on its merits Miller's right to the exclusive use of the "LITE" trademark. *Union Carbide Corp.* v. *Ever-Ready, Inc.*, 531 F.2d 366, 378 (7th Cir. 1976), *cert. denied*, 429 U.S. 830, 97 S.Ct. 91, 50 L.Ed. 2d 94 (1976).

6. The owner of a trademark may register his trademark with the United States Patent Office upon a minimal showing of first-use in commerce. 15 U.S.C.A. §1051 (1976). No trademark shall be refused registration on the principal register on account of its nature except when certain fairly specific conditions are met. *Id.* §1052.

7. The assignment of the trademarks by Meister Brau to Miller is valid given that Meister Brau assigned its entire interest in the mark and the goodwill. See *E. F. Prichard Co.* v. *Consumers Brewing Co.*, 136 F.2d 512, 518-19, 521-22 (6th Cir. 1943), *cert. denied*, 321 U.S. 763, 64 S.Ct. 486, 88 L.Ed. 1060 (1944).

8. Leaving aside the question of descriptiveness and secondary meaning, there is no indication in the record that the trademark was not registered according to proper procedures. However, Heileman alleges that the registration of plaintiff's mark is invalid because it infringes the previously registered Storz trademark: "America's Light Refreshing Beer." But since this trademark uses "Light" descriptively and in combination with other words, it is not in conflict with plaintiff's mark. See generally *Tisch Hotels, Inc.* v. *Americana Inn, Inc.*, 350 F.2d 609, 611 (7th Cir. 1965); *Nashville Syrup Co.* v. *Coca Cola*, 215 F. 527, 530 (6th Cir. 1914).

9. Plaintiff does not argue that the mark has obtained incontestable status under 15 U.S.C.A. §1065. Such status would limit the alleged infringer to a few defenses explicitly outlined in 15 U.S.C.A. §1115(b) (1974). In particular, if Miller's "LITE" mark had achieved incontestable status, Heileman would be foreclosed from arguing that Miller did not have exclusive rights to the mark because the mark was merely descriptive. *Id.* There is some question whether a trademark which has been found to be merely descriptive but to have acquired distinctiveness can ever acquire incontestable status. Compare *Flavor Corporation of America* v. *Kemin Industries, Inc.*, 493 F.2d 275, 281-82 (8th Cir. 1974), with *Union Carbide* v. *Ever-Ready, Inc.*, 531 F.2d 366, 375-76 (7th Cir. 1976). However, because the parties did not address this question in their briefs, I make no determination of the likelihood that the trademark has achieved incontestable status.

Appendix B

1. The Merits of Miller's "LITE" Trademark Claim: Descriptiveness

Given that Miller almost certainly will be entitled to the above-mentioned presumption at trial, the defendant will have the burden of going forward and proving that the trademark is defective in some manner. Defendant contends that Miller's trademark is defective because it is merely descriptive. If this contention is sound (and unless, as will be discussed below, Miller can then show that the mark has acquired a secondary meaning), Miller's action for trademark infringement will be defeated. *Union Carbide Corp.* v. *Ever-Ready, Inc., supra,* at 378. I am not called upon to resolve definitely the question as to whether "LITE" is merely descriptive; only whether Heileman is likely to be successful at trial in showing that it is. On the evidence before me, there is a strong likelihood that Heileman will be unable to prove at trial that Miller's mark is merely descriptive.

The case law appears to recognize a continuum of types of trademarks falling into three categories: the merely descriptive, the suggestive, and the purely fanciful or arbitrary. *Union Carbide Corp.* v. *Ever-Ready, Inc., supra,* at 378-79. Marks in the latter two categories are subject to the exclusive appropriation of a producer, whereas marks in the former category are not. It could hardly be said that "LITE" is a purely fanciful or arbitrary name for a low-calorie, less-filling beer product at least in the same way that "The American Girl" is a purely fanciful or arbitrary name when applied to women's shoes. See *Hamilton Shoe Co.* v. *Wolf Brothers,* 240 U.S. 251, 256-57, 36 S.Ct. 269, 60 L.Ed. 629 (1916). Thus, the important question is whether "LITE" actually describes the ingredients, qualities, or characteristics of the beer or merely suggests the existence of some attribute or effect of the beer.

Appendix B

The line between descriptive and suggestive marks is not vivid. The court of appeals for this circuit has quoted approvingly the distinction between these two terms stated by A. Seidel, S. Dalroff, and E. Gonda, Trademark Law and Practice, §4.06 at 77 (1963):

> Generally speaking, if the mark imparts information directly, it is descriptive. If it stands for an idea which requires some operation of the imagination to connect it with the goods, it is suggestive.

Union Carbide Corporation v. *Ever-Ready, Inc., supra,* at 379.

The court of appeals for this circuit has indicated, although not held, that "Holeproof" as applied to stockings and "EVEREADY" as applied to batteries are not descriptive but rather suggestive terms. See *Independent Nail & Packing Co., Inc.* v. *Stronghold Screw Products, Inc.,* 205 F.2d 921 (7th Cir. 1953), *cert. denied,* 346 U.S. 886, 74 S.Ct. 138, 98 L.Ed. 391 (1953), *citing Holeproof Hosiery Co.* v. *Wallach Bros.,* 172 F. 859 (2d Cir. 1909); *Union Carbide Corp.* v. *Ever-Ready, Inc., supra,* at 379. See also *General Shoe Corp.* v. *Rosen,* 111 F.2d 95, 98-99 (4th Cir. 1940) ("Friendly" as applied to shoes is suggestive of shoes which are friendly to the feet). Both "Holeproof" and "EVEREADY" seem to impart some information about the products to which they are appended, but to impart it indirectly, and to require some operation of the imagination to connect the terms to the products.

Likewise, the mark "LITE" does not describe a beer which is light in weight or color, but rather connotes one which is lower in calories or less-filling than regular beer.[10]

10. It is commonly known that "light" has been used widely and for many years in the beer industry to connote the quality of lightness in color or the quality of lightness in body, or both. Such use has undoubtedly been descriptive, rather than suggestive, of those qualities. It appears that Meister Brau was the first to use the word, in a corrupted form (LITE), to connote a third and distinct quality

(footnote continued on next page)

It requires some operation of the imagination to connect the term "LITE" with a beer which would cause its consumers to weigh less, all else being equal, than those who consume regular beer.

Thus, it appears unlikely that Heileman will meet its burden of showing that "LITE" is a descriptive term.[11]

2. The Merits of Miller's "LITE" Trademark claim: Secondary Meaning

In the event that Heileman does prove at trial that "LITE" as applied to beer is descriptive, Miller will be entitled to prevail, nevertheless, if it can show that the mark has acquired a secondary meaning in identifying the product of a particular producer. *Union Carbide Corp.* v. *Ever-Ready, Inc., supra,* at 380.[12] Although it would be

of its new brand of beer, namely, its low caloric content. It may well be unusual that a word which is well established as descriptive of two qualities of a beer is claimed to be merely suggestive of a third quality. But, as I have concluded, "LITE" is indeed no more than suggestive of this third quality. I can discern no basis in precedent, and none in public policy, to deny suggestiveness to a word which is no more than suggestive of one quality of a product simply because it is obviously descriptive of other qualities of the same product.

11. Defendant also argues that "LITE" is deceptively misdescriptive. However, there has been absolutely no showing as to how the public would be misled as to the ingredients of "LITE" beer from the trademark. See *e.g., Nashville Syrup Co.* v. *Coca Cola Co.,* 215 F. 527, 531-32 (6th Cir. 1914).

12. The fact that Meister Brau (Miller) has already demonstrated to the Patent Office that "LITE" had acquired a certain distinctiveness does not entitle Miller to any procedural or substantive advantage on the issue of secondary meaning in the instant case—although there is some overlap in the type of evidence used to prove distinctiveness, on the one hand, and secondary meaning, on the other. Distinctiveness refers to the consumer popularity and acceptance of the mark whereas secondary meaning refers to consumer identification of a unique product from a single producer. *Alfred Dunhill of London, Inc.* v. *Kasser Distillers Products Corp.,* 350 F.Supp. 1341, 1359-60 (E.D.Pa. 1972), aff'd, 480 F.2d 917 (3d Cir. 1973). But see *Flavor Corp. of America* v. *Kemin Industries, Inc.,* 493 F.2d 275, 282 (8th Cir. 1974).

necessary for Miller to show that consumers are aware that "LITE" beer comes from a single source, it need not show that consumers are aware of the actual name of that source. *Union Carbide Corp.* v. *Ever-Ready, Inc., supra,* at 380; *Spangler Candy Co.* v. *Crystal Pure Candy Co.,* 353 F.2d 641, 647 (7th Cir. 1965), citing *Shredded Wheat Co.* v. *Humphrey Cornell Co.,* 250 F. 960, 963 (2d Cir. 1918), modifying 244 F. 508 (D.C.Conn.1917).

Thus, whether "LITE" has acquired a secondary meaning is basically a factual question regarding consumer perceptions. *Carter-Wallace, Inc.* v. *Procter & Gamble Co.,* 434 F.2d 794, 802 (9th Cir. 1970). Clearly, the most direct evidence on this issue is consumer testimony and consumer surveys. Other evidence of some consequence, in order of importance, would be the volume of sales, the length and manner of use of the mark, and the amount and manner of advertising. *Union Carbide Corp.* v. *Ever-Ready, Inc., supra,* at 380-81.

Miller has provided fairly persuasive evidence in the form of a national consumer survey that a substantial percentage of consumers perceived LITE (43%), Miller LITE (11%), or LITE from or by Miller (1%) as the product of a particular producer, that is, as a distinct brand name indicative of a low-calorie or less-filling beer. The timing of this survey (December, 1975 to March, 1976) is particularly noteworthy since it came at a time when Peter Hand and Schlitz were just beginning to market their own low-calorie beers under "Light" trademarks but after Miller had marketed LITE nationally for one year (1975) and regionally for several years prior to 1975. At this time, the confounding effect, if any, on the survey results that might have accrued from the introduction of low-calorie beers under the "Light" trademarks by Schlitz and Peter Hand was just beginning. That such a significant percentage of consumers mentioned and correctly spelled "Lite" indicates

that consumers were aware that "LITE" was a product beer, which came from a particular, unique source, although in most cases that source was not identified. See *Union Carbide Corp.* v. *Ever-Ready, Inc., supra,* at 381.

Additionally, the rapidly increasing volume of Miller's "LITE" beer sales, the use of "LITE" as a trademark from 1967 to 1974 in several regions and in 1975 and 1976 nationally by Meister Brau and Miller, and the massive advertising by Miller of "LITE" beer as a low-calorie and less-filling beer, all suggest that Miller will be likely to prevail on the issue of secondary meaning even if "LITE" is determined to be descriptive.

In the following section of this opinion, I will discuss the question whether there is a likelihood of confusion between plaintiff's mark and defendant Heileman's mark. In this connection, plaintiff has offered evidence that there has already developed some confusion between plaintiff's mark and Schlitz's "Light" mark, and between plaintiff's mark and Peter Hand's "Light" mark. Defendant Heileman contends that if plaintiff's mark had acquired a secondary meaning, this secondary meaning had been dissipated, before defendant Heileman made its move, by the confusion emanating from the introduction of the Schlitz and Peter Hand "Light" beers in the market. This would be a troublesome point if in the record before me there were evidence not only of confusion, but that the confusion had already created a market situation in which Miller's "LITE" is no longer perceived by a substantial number of consumers as the product of a particular producer. Whether the confusion between plaintiff's mark, on the one hand, and the respective marks of Schlitz and Peter Hand, on the other, whatever the nature and extent of the confusion may be, is the result of wrongdoing by Schlitz or Peter Hand, or both, is a question not before this court, but before two other coordinate federal district courts. Even if it

were the result of wrongdoing on the part of both Schlitz and Peter Hand, it is uncertain whether plaintiff Miller would yet enjoy some protection against the later entry of defendant Heileman into a market situation in which plaintiff Miller's mark had lost its secondary meaning. However, the record in this case does not support even a provisional finding that the secondary meaning of plaintiff's mark, once existent, is no longer existent.[13]

B. The likelihood or lack thereof that Miller will be able to prove infringement of its right to the exclusive use of the "LITE" trademark

Section 32(1) of the Lanham Trade-Mark Act, 15 U.S.C. §1114(1) prohibits the use in commerce, without the consent of the registrant, of

> . . . any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive . . . .

15 U.S.C. §1114(1) (1963). Under the Lanham Act the test for infringement is the likelihood of confusion on the part of consumers. *Tisch Hotels, Inc.* v. *Americana Inn, Inc.,* 350 F.2d 609, 611 (7th Cir. 1965). See also *Brown-Forman Distillery Co.* v. *Arthur M. Block L.I.,* 99 F.2d 708, 709-10 (7th Cir. 1938). Among the factors the court should take into consideration in determining the likelihood of confusion are:

> . . . the type of trademark in issue, the similarity of design, similarity of products, identity of retail outlets

13. Well after the present motion for a preliminary injunction had been submitted and was under advisement, and without leave of court having been sought, defendant submitted a series of assertions about yet more entrants into the lists of low-calorie beer competition. I give no effect to these recent submissions.

and purchasers, identity of advertising media utilized, defendant's intent, and actual confusion.

Union Carbide Corp. v. *Ever-Ready, Inc., supra,* at 381-82. As I have found above, the two products are similar, sales of both will be attempted to the same buying public through the same general retail channels, and both parties will be employing the same general means and media for advertising and promotion.[14]

Under these circumstances, the degree of similarity of the marks needed to support a finding of infringement is less than in the case of dissimilar, non-competing products. *Stembridge Products, Inc.* v. *Gay,* 335 F.Supp. 863, 867 (M.D.Ga.1971). The Miller and Heileman trademarks are similar in overall design. The word "LITE" and "LIGHT" are visually highly similar and phonetically identical. This similarity of "LITE" and "LIGHT" is especially significant in determining the likelihood of confusion because these words constitute the dominant portion of each label and are likely to create a more lasting or prime impression on the public than the other words on the label. *Pikle-Rite Co.* v. *Chicago Pickle Co.,* 171 F.Supp. 671, 675-76 (N.D.Ill.1959).

While a visual inspection of the Miller and Heileman marks placed side-by-side reveals an extremely close resemblance, one can distinguish the Miller product from the Heileman product. However, such a side-by-side test is not the test for the likelihood of confusion. *Albert Dickinson Co.* v. *Mellos Peanut Co. of Illinois,* 179 F.2d 265, 270 (7th Cir. 1950). Consumers are likely to rely on vague impressions and recollections when choosing a product especially when the product is relatively low-priced and

14. The present record permits no findings of fact, and I have made none, as to whether Heileman intended to confuse the buying public, or whether actual confusion has yet occurred as between the Miller and Heileman marks.

commands a small fraction of an average consumer's budget. Given the imprecision of consumer recollections in such cases, the appropriate test is whether consumers with a rather indefinite recollection of the marks would be able to discriminate between the labels of the competing products or would tend to choose one product thinking it is the other, when only one brand is in sight. See *e. g. Independent Nail & Packing Co., Inc.* v. *Stronghold Screw Products, Inc.,* 205 F.2d 921, 925-26 (7th Cir. 1953).

I conclude that plaintiff will probably prevail ultimately in its contention that the similarity in the marks, and most particularly the strong emphasis on "Light" in the Heileman mark, make consumer confusion between the two products highly likely.

II. Irreparability of Harm to Miller or Lack Thereof

It will be quite some time before this case can be resolved at trial. Apparently, cases pending in other courts brought by Miller against other brewers which may have a bearing on this case will not be decided for some time. In the absence of a preliminary injunction, Heileman will market its "LIGHT" beer in competition with Miller "LITE."

I have concluded above that plaintiff will probably prevail in its contention that confusion will occur between the two labels whether the purchase is made verbally or after a visual inspection of the product. Such confusing similarity has been held to be sufficient for a determination that irreparable harm will occur if an injunction is not entered. *P. Daussa* v. *Sutton Cosmetics (P.R.) Inc.,* 462 F.2d 134, 136 (2d Cir. 1972), citing *Sutton Cosmetics (P.R.) Inc.* v. *Lander Co., Inc.,* 455 F.2d 285, 288 (2d Cir. 1972). Conceivably, if Miller ultimately prevails in this action it will be entitled to money damages, measured perhaps by

the profit Miller would have realized had all those who purchased Heileman's "Light" purchased Miller's "Lite" instead. But consumers whose initial experience with a low-calorie beer is with Heilman's "Light" and is unfavorable, probably will not soon try "Lite." It is true that because of the confusion, "Lite" may benefit from follow-up purchases of low-calorie beer by those whose first encounter has been with Heileman's "Light" and has been favorable. However, the results of such difficulties in a highly volatile retail market for beer would not be easily reducible to money damages.

Miller could possibly alleviate this confusion and irreparable harm through an advertising campaign directed at distinguishing between the "LITE" and "LIGHT" marks. The cost of this advertising would be susceptible to recovery in money damages. However, it would probably be impossible to determine the effectiveness of such an advertising campaign, and also to determine the financial effects upon plaintiff's sales arising from the necessity to stress this defensive theme rather than an affirmative theme promoting "Lite."

I conclude that it is probable that unless the motion for a preliminary injunction is granted, Miller will suffer irreparable harm.

III. The Balance of Equities

Heileman argues that the preliminary injunction will harm it in two ways: loss of reputation, and loss of the resources it has expended in the development of "LIGHT" beer.

Particularly in the absence of a judicial finding that it has deliberately sought to create confusion, I am unpersuaded that Heileman will suffer loss of reputation to any significant extent if enjoined temporarily from marketing beer under its "LIGHT" trademark. I consider it unlikely

that an injunction so limited in scope and duration will affect Heileman's sales of its "Old Style," "Special Export," or other beer brands.

Second, Heileman has not demonstrated what fraction of the costs incurred in developing "LIGHT" beer would be lost as a result of the preliminary injunction. Clearly, some of these expenditures will not be lost even if Heileman is forced to re-label its beer (e. g., manhours used in developing the beer formula). Other expenses (e. g., point-of-sale advertising expenses) will not have been wholly wasted if Heileman ultimately prevails on the merits. Thus, Heileman will lose only a part of its total expenditures to date on the "LIGHT" beer project. It probably will be possible to assign a monetary value to this lost fraction should Heileman prevail on the merits at trial.

Perhaps more significantly than either of these two categories of harm is the postponement, during the pendency of this suit, of Heileman's opportunity to enter the low-calorie beer competition on a broad scale and under the particular banner it has chosen. The factors at play in such a market are unquestionably sophisticated and volatile, and I would not disparage the possible negative consequences for Heileman. But these potential negative consequences for a producer which is poised for the fray are less serious than would be an interruption in the activity of a producer already fully engaged.

I conclude that the probable harm to plaintiff Miller from the denial of the preliminary injunction outweighs the probable harm to defendant Heileman from its issuance.

IV. The Effect of a Preliminary Injunction on the Public Interest

The preliminary injunction will tend to maintain the status quo in the market for low-calorie beer. There is no clear indication that preservation of that status quo will

affect the public interest one way or another. If the effect of the preliminary injunction proves to be only a delay, pending a final decision in the lawsuit, in the introduction of Heileman's "Light" beer packaged within the intended label, the effect upon the public interest will have been minimal. If a permanent injunction is ultimately entered herein in plaintiff's favor, presumably the public interest will have been served by the earlier prohibition of the practice finally determined to be unlawful.

In this suit involving Miller's claim for injunctive protection of its "LITE" trademark, there is no occasion for this court to inquire into the public interest with respect to the production and sale of beer generally in the United States, or with respect to the relative competitive positions of these two parties in the beer market.

Order

Upon the basis of the entire record, it is ordered that commencing on the 20th day following the entry of this order, and thereafter during the pendency of this action, defendant is enjoined from the continued sale, advertising, and distribution of beer anywhere in the United States, under the brand name incorporating the word "Light" in the manner of the label attached to the complaint herein as Exhibit E, and under any colorable imitation of the following labels and designs registered on the principal register of the United States Patent Office: No. 905,236 (December 29, 1970); No. 929,276 (February 15, 1972); and No. 929,277 (February 15, 1972, as amended June 3, 1975).

Opinion and Order of James E. Doyle, District Judge, Dated February 22, 1977

UNITED STATES DISTRICT COURT

W. D. Wisconsin

Miller Brewing Company,

Plaintiff,

v.

G. Heileman Brewing Co., Inc.,

Defendant.

No. 76-C-584

Feb. 22, 1977

Opinion and Order

James E. Doyle, District Judge.

This opinion and order is addressed to the following pending motions by the defendant: (1) a motion filed January 24, 1977 for an order vacating a preliminary injunction entered herein January 21, 1977; (2) a motion filed February 4, 1977 (as an alternative to motion (1)) for an order permitting defendant to use a certain alternative label and to provide a period for the change-over; and (3) a motion filed January 24, 1977 for an order suspending the preliminary injunction entered January 21, 1977 pending an appeal from said injunction. For the purpose of deciding these motions, and for no other purpose, I renew the findings of fact set forth in the opinion and order entered herein January 21, 1977, and, with two exceptions, I find as fact those allegations contained in the affidavits of John S. Skilton dated January 24, 1977, John S. Pedace dated Janu-

ary 28, 1977, Anthony L. Fletcher dated January 28, 1977, Phil A. Grau dated January 27, 1977, John S. Pedace dated February 3, 1977, James Van Santen dated February 8, 1977, Russell G. Cleary dated February 3, 1977 (entitled "declaration of intent"), and Anthony L. Fletcher dated February 11, 1977. The two exceptions are as follows: (a) With respect to the Cleary declaration of intent, I construe it to mean that defendant intends to use the label attached as Exhibit X to the declaration of intent only if this court first declares that such use would not be violative of the January 21, 1977 preliminary injunction; and I construe it also to mean that defendant intends to abandon use of the label attached to the complaint as Exhibit E only when the said preliminary injunction becomes effective, whether this be March 2, 1977, or the termination date of some further stay or stays which may be granted. (b) With respect to the Fletcher affidavit of January 28, 1977, I do not find as fact the statements contained in a Meister Brau letter of April 10, 1972 to its Lite beer wholesalers and sales representatives. I also take judicial notice that in general terms, when foods containing carbohydrates are ingested and absorbed by humans, heat measured in calories results, so that the fewer the carbohydrates present in a food, the fewer the calories.

(1) *Defendant's motion filed January 24, 1977 to vacate preliminary injunction*

Apart from simple disagreement with the findings and conclusions underlying the grant of the preliminary injunction on January 21, 1977, defendant's contentions in support of the motion to vacate are: (a) that the registrations relied upon by plaintiff expressly applied to beer with no available carbohydrates, and thus afford plaintiff no procedural advantage in this lawsuit alleging infringement by defendant's

use of a label applied to beer containing some available carbohydrates; and (b) that "light" has now become a generic term for low-calorie beer.

(a) *No available carbohydrates*

There is no evidence in the record from which I can make an intelligent construction of the word "available." Conceivably, if all the carbohydrates in Heileman's "Light" are unavailable, then it contains no available carbohydrates and the Miller registration would clearly be applicable to Heileman's "Light."[1] But I consider this too precious a view of the matter. I will assume that as used by Miller in the registration process "no available carbohydrates" means "no carbohydrates." Thus it is apparent that Miller is now using the registered mark in distributing a beer which is low in calories but which does contain carbohydrates, and that Heileman is using its label E[2] in distributing a beer which also is low in calories, but which also does contain carbohydrates.

As I observed in my January 21 opinion, the statutes confer upon a trademark registrant certain significant procedural advantages in litigation involving the trademark. Defendant contends that the registrant should be deprived of those advantages except when the product bearing the allegedly infringing label is the exact functional equivalent of the product described in the successful application for registration. I see no good reason for so severe a rule, nor am I persuaded that there is authority for it. On the contrary, as plaintiff contends, infringement can occur in some circumstances even when the product bearing the allegedly

1. For convenience, I will speak of the Meister Brau registration as the Miller registration.

2. The label which appears as Exhibit E attached to the complaint.

infringing label is quite different from that described in the application for registration. In any event, there is no significant difference here. Undoubtedly, the practical importance of the references to the presence or absence of carbohydrates in the course of registration, if they were of practical importance, was in the context of calories and in the context of the effect of the caloric content upon the weight of humans who might consume the beer. So long as the beer bearing the allegedly offending label is distinctly low-calorie beer, as is true of Heileman's "Light," plaintiff should enjoy in this litigation the procedural advantages conferred upon it by statute.

(b) *"Light" now generic*

The only reasonably hard evidence yet in this record is that offered by plaintiff concerning consumer perceptions of the label "LITE." From that evidence, the fair conclusion is that until Miller was well launched with its promotion of "Lite," the word "light" as applied to beer did not signify to the public generally that the beer was low in calories. Up to a certain point thereafter, then, to the extent that "light" or "LITE" gained this significance, it was in relation to Miller's campaign and Miller's product. I cannot ignore the evidence defendant has adduced, nor avoid the exercise of a degree of judicial notice of a matter of common knowledge, to the effect that in recent months this state of affairs has been altered and diffused as a number of Miller's competitors have entered the low-calorie beer field. In varying ways, they have used "light" to signify this particular attribute, as well as other attributes, of their respective beers. It seems clear that Miller has resisted promptly and diligently in those instances in which the particular conduct of a particular competitor has been arguably illegal, and the outcome of those several contests in the courts is unknown. Whether Miller should be held to have

lost its legal advantage as a result of this challenged activity by its competitors has been a troublesome point from the start of this present case in this court. I am unwilling to answer the question definitively as a rule of law. But I do conclude at least that Miller should not be held to have lost the legal advantage it once held, unless there is a clear showing by hard evidence that the word "light" as applied to beer is now widely understood by the public to denote a beer with low-caloric content. No such clear and hard showing has been made.

(2) *Defendant's alternative motion filed February 4, 1977, for leave to change-over to Label X*[3]

Had defendant made an unconditional statement of its intention to discontinue the use of Label E after about 12 weeks, and thereafter, during the pendency of this case, to use Label X, I would have considered that a major change had occurred in the conditions underlying the issuance of the preliminary injunction on January 21, 1977. It would have meant that the plaintiff was facing the threat of the infringing use of Label E for only a relatively short period. It would also have meant that for the longer run, during the pendency of this case, the plaintiff was faced with a new and different threat. This new and different threat would have been that defendant would promote and market its low-calorie beer under Label X. Plaintiff might then have chosen to seek a modification of the preliminary injunction so that it would expressly prohibit the use of Label X as well as Label E. In that context, it would have been necessary for plaintiff to persuade the court that there would have been a good chance that it would ultimately succeed in its contention that the use of Label X would be an infringe-

3. Exhibit X to the Cleary "declaration of intent" dated February 3, 1977.

ment. On the other hand, plaintiff might have elected to do nothing until the use of Label X actually began, and then to commence contempt proceedings on the ground that Label X is a "colorable imitation" of plaintiff's trademark already banned by the injunction.

But this is not what defendant has done. Rather, defendant seeks a declaratory adjudication now that Label X is not a "colorable imitation" of plaintiff's trademark, and therefore is not a violation of the preliminary injunction. Only if defendant obtains such a favorable declaration will it proceed with the change-over. If no judicial declaration is forthcoming, or if it is made but is unfavorable to defendant, defendant intends to continue the use of Label E until firmly enjoined.

In considering whether to respond to the request for a judicial declaration, I have the following factors in mind. If one were to assume that this present lawsuit had run its course and that plaintiff had obtained a permanent injunction phrased exactly as the preliminary injunction is phrased, and if defendant were then to engage in the use of Label X, and if contempt proceedings were then initiated, the court would be called upon to decide whether Label X is a colorable imitation of plaintiff's trademark. This decision would not be made in the framework of probable success or failure of plaintiff in its contention that an infringement was occurring. It would be definitive; the court would be holding flatly either that Label X is a colorable imitation or that it is not.

It appears that this is exactly what is now sought from the court. Although the present injunction is only preliminary, the question whether Label X violates it is identical to the question whether Label X would violate a permanent injunction identically phrased. The answer to this question, either as to the preliminary injunction or the hypothetical

permanent injunction, would turn upon the likelihood of consumer confusion as between the trademark and Label X.

I conclude that the record in this case does not support a definitive judicial declaration on this question, one way or another, and I decline to make such a declaration.

(3) *Defendant's motion filed January 24, 1977 for a stay pending appeal*

I am unwilling to stay the preliminary injunction of January 21, 1977, as modified by my order of February 1, 1977, until an appeal from it is finally decided. However, I conclude that defendant is fairly entitled to seek such a stay from the Court of Appeals before it is compelled to discontinue its use of Label E.

APPENDIX C

Excerpts from the Trademark Act of 1946, as Amended

PUBLIC LAW 489, 79TH CONGRESS, CH. 540

APPROVED JULY 5, 1946; 60 STAT. 427

Sec. 2 [15 U.S.C. 1052]. Trademarks registrable on the principal register.*

No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

• • •

(e) consists of a mark which, (1) when applied to the goods of the applicant is merely descriptive or deceptively misdescriptive of them, or (2) when applied to the goods of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, except as indications of regional origin may be registrable under section 4 hereof, or (3) is primarily merely a surname;

(f) except as expressly excluded in paragraphs (a), (b), (c), and (d) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as applied to the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the 5 years next preceding the date of

* Headings are not part of the Act, but have been added for convenience. Headings herein are from the U.S. Department of Commerce print of the Act.

the filing of the application for its registration (Amended Oct. 9, 1962, 76 Stat. 769).

Sec. 7(b) [15 U.S.C. 1057b]. [Certificate of Registration on the principal register]—Prima facie evidence

A certificate of registration of a mark upon the principal register provided by this Act shall be prima facie evidence of the validity of the registration, registrant's ownership of the mark, and of registrant's exclusive right to use the mark in commerce in connection with the goods or services specified in the certificate, subject to any conditions and limitations stated therein.

Sec. 14 (15 U.S.C. 1064). Cancellation of registrations

A verified petition to cancel a registration of a mark, stating the grounds relied upon, may, upon payment of the prescribed fee, be filed by any person who believes that he is or will be damaged by the registration of a mark on the principal register established by this Act, or under the Act of March 3, 1881, or the Act of February 20, 1905—

• • •

(c) at any time if the registered mark becomes the common descriptive name of an article or substance, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 4 or of subsection (a), (b), or (c) of section 2 of this Act for a registration hereunder, or contrary to similar prohibitory provisions of said prior Acts for a registration thereunder, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services in connection with which the mark is used; or

• • •

Provided, That the Federal Trade Commission may apply to cancel on the grounds specified in subsections (c) and (e) of this section any mark registered on the principal register established by this Act, and the prescribed fee shall not be required (Amended Oct. 9, 1962, 76 Stat. 769).

Sec. 15 [15 U.S.C. 1065]. Incontestability under certain conditions of right to use mark

Except on a ground for which application to cancel may be filed at any time under subsections (c) and (e) of section 14 of this Act, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of the publication under this Act of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for 5 consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided, That*—

(1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the Patent and Trademark Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Commissioner within 1 year after the expiration of any such 5-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such 5 consecutive

years and is still in use in commerce, and the other matters specified in subsections (1) and (2) hereof; and

(4) no incontestable right shall be acquired in a mark which is the common descriptive name of any article or substance, patented or otherwise.

Subject to the conditions above specified in this section, the incontestable right with reference to a mark registered under this Act shall apply to a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, upon the filing of the required affidavit with the Commissioner within 1 year after the expiration of any period of 5 consecutive years after the date of publication of a mark under the provisions of subsection (c) of section 12 of this Act.

The Commissioner shall notify any registrant who files the above-prescribed affidavit of the filing thereof (Amended Oct. 9, 1962, 76 Stat. 769).

Sec. 32(1) [15 U.S.C. 1114(1)]. Remedies—Infringement

Any person who shall, without the consent of the registrant—

(a) use in commerce any reproduction, conterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution,

or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive;

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive (Amended Oct. 9, 1962, 76 Stat. 769).

Sec. 33(a) (15 U.S.C. 1115a). Remedies—Certificate of registration on principal register—Prima facie evidence of exclusive right to use mark

Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this Act and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered (Amended Oct. 9, 1962, 76 Stat. 769).

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Sec. 43(a) (15 U.S.C. 1125a). False designations of origin and false descriptions forbidden

Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any

false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of such false description or representation.

APPENDIX D

The LITE Beer Litigations

1. Miller Brewing Company v. Genesee Brewing Company.

   U.S. District Court, Southern District of New York
   Commenced October 31, 1975
   75 Civ. 5443
   (Second Circuit)

2. Miller Brewing Company v. Peter Hand Brewing Company

   U.S. District Court, Northern District of Illinois
   Commenced October 31, 1975
   75 C 3573
   (Seventh Circuit)

3. Miller Brewing Company v. Jos. Schlitz Brewing Company

   U.S. District Court, Eastern District of Wisconsin
   Commenced October 31, 1975
   75-C-636
   (Seventh Circuit)

4. Miller Brewing Company v. G. Heileman Brewing Company

   U.S. District Court, Western District of Wisconsin
   Commenced November 1, 1976
   76 C 584
   (Seventh Circuit)

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5. Anheuser-Busch Incorporated v. Miller Brewing Company

   U.S. District Court, Eastern District of Missouri
   Commenced January 14, 1977
   77-0100 C (2)
   (Eighth Circuit)

6. Miller Brewing Company v. Pittsburgh Brewing Co. and 9-0-5 Stores, Inc.

   U.S. District Court, Eastern District of Missouri
   Commenced January 31, 1977
   77-0104-C(4)
   (Eighth Circuit)

7. Miller Brewing Company v. Erie Brewing Co.

   U.S. District Court, Western District of Pennsylvania
   Commenced February 9, 1977
   77-18 Erie
   (Third Circuit)

8. Miller Brewing Company v. Olympia Brewing Company

   U.S. District Court, Western District of Washington
   Commenced April 8, 1977
   C 77 65T
   (Ninth Circuit)

9. Miller Brewing Company v. Rheingold Breweries, Inc.
   U.S. District Court, District of New Jersey

   Commenced July 13, 1977
   77-1405
   (Third Circuit)

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10. Miller Brewing Company v. Rainier Brewing Company
    U.S. District Court, Western District of Washington

    Commenced July 15, 1977
    C77-519
    (Ninth Circuit)